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21 OCT 1963

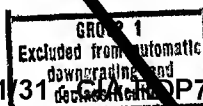
MEMORANDUM FOR: Director of Logistics

SUBJECT : Report of Audit of Supply Division  
1 June 1962 - 30 June 1963

1. I have read the Report of Audit of the Supply Division with some care and I am concerned about the number of points of general exception which have been noted. In particular, however, I am disturbed about the several detail comments which appear to me to constitute a serious condemnation of your computer applications.

2. I realize that the Supply Division was among the first customers for the RCA-501 computer and that your early efforts were experimental to a degree. I am also aware that some of the present problems exist because the records were converted directly from the former electric accounting machine methods to computer usage without what is generally considered to be an adequate preliminary systems study. These points have been made in previous Audit Reports as well as in the report prepared by the consultants who reviewed the utilization of the RCA-501 computer nearly two years ago. I am distressed, however, that we have not made more progress toward correcting the noted deficiencies.

3. Referring particularly to paragraph 11 of the attached Audit Report, I note that the task force, composed of representatives of the Supply Division, the Office of the Comptroller, and the Automatic Data Processing Staff (Office of Computer Services), which was formed more than a year ago, has made little progress toward accomplishing the necessary systems analysis. Perhaps this typifies one of the most common problems of the task force approach which is that responsibility and control tend to be dispersed among members of the group, particularly when they each represent a different component of the organization. Nevertheless, the supply system of the Agency is a function of the Office of Logistics, and the Director of Logistics is directly responsible for its success or failure regardless of what management tools and equipment are used to make the system function. I look to you, therefore, for the correction of the deficiencies noted in this Audit Report and for the accomplishment of the systems analysis necessary to make your use of the computer effective.

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4. Separate from your response to the Audit Report, I would like to have, no later than 1 November 1963, your assessment of the current situation and specific recommendations for the action you propose to take or believe should be taken in order to complete an adequate systems study and correct the present deficiencies.



L. K. White  
Deputy Director  
(Support)

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Attachment:  
Subject Report of Audit

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